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Lead Counsel for Lead Plaintiff

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

EVANSTON POLICE PENSION FUND,
Individually and on Behalf of All Others
Similarly Situated,

Plaintiff,

vs.

MCKESSON CORPORATION, et al.,

Defendants.

) Case No. 3:18-cv-06525-CRB

) CLASS ACTION

) ~~PROPOSED~~ ORDER PRELIMINARILY
) APPROVING SETTLEMENT AND
) PROVIDING FOR NOTICE

1 WHEREAS, an action is pending before this Court entitled *Evanston Police Pension Fund v.*
2 *McKesson Corporation, et al.*, No. 3:18-cv-06525-CRB (the “Litigation”);

3 WHEREAS, the parties having made application, pursuant to Federal Rule of Civil
4 Procedure 23(e), for an order preliminarily approving the settlement of this Litigation, in accordance
5 with a Stipulation of Settlement dated November 30, 2022 (the “Stipulation”), which, together with
6 the Exhibits annexed thereto, sets forth the terms and conditions for a proposed settlement of the
7 Litigation and for dismissal of the Litigation with prejudice upon the terms and conditions set forth
8 therein; and the Court having read and considered the Stipulation and the Exhibits annexed thereto;
9 and

10 WHEREAS, unless otherwise defined, all terms used herein have the same meanings as set
11 forth in the Stipulation.

12 NOW, THEREFORE, IT IS HEREBY ORDERED:

13 1. After a preliminary review, the Settlement appears to be fair, reasonable, and
14 adequate. The Settlement: (a) resulted from arm’s-length negotiations overseen by an experienced
15 mediator; (b) eliminates the risks to the Parties of continued litigation; (c) does not provide undue
16 preferential treatment to Lead Plaintiff or to segments of the Class; (d) does not provide excessive
17 compensation to counsel for the Class; and (e) appears to fall within the range of possible approval
18 and is therefore sufficiently fair, reasonable, and adequate to warrant providing notice of the
19 Settlement to the Class. Accordingly, the Court does hereby preliminarily approve the Stipulation
20 and the Settlement set forth therein, subject to further consideration at the Settlement Hearing
21 described below.

22 2. A hearing (the “Settlement Hearing”) shall be held before this Court on 6/2/2023,
23 2023, at 10:00am. [a date that is at least 100 days from the date of this Order], at the United States
24 District Court for the Northern District of California, Phillip Burton Federal Building & United
25 States Courthouse, Courtroom 6 – 17th Floor, 450 Golden Gate Avenue, San Francisco, CA 94102,
26 for the following purposes:

- 27 a. to determine whether the Settlement is fair, reasonable, and adequate, and
28 should be approved by the Court;

- b. to finally determine whether Judgment as provided under the Stipulation should be entered, dismissing the Complaint on the merits and with prejudice, and to determine whether the release by the Class of the Released Defendant Parties as set forth in the Stipulation, should be ordered, along with a permanent injunction barring efforts to bring any Released Claims or Released Defendants' Claims extinguished by the Settlement;
- c. to finally determine whether the proposed Plan of Allocation for the distribution of the Net Settlement Fund is fair and reasonable and should be approved by the Court;
- d. to consider the application of Lead Counsel for an award of attorneys' fees and expenses;
- e. to consider Class Members' objections to the Settlement, Plan of Allocation or application for fees and expenses; and
- f. to rule upon such other matters as the Court may deem appropriate.

3. The Court may adjourn the Settlement Hearing without further notice to the members of the Class, and reserves the right to approve the Settlement with such modifications as may be agreed upon or consented to by the Parties and without further notice to the Class where to do so would not impair Class Members' rights in a manner inconsistent with Rule 23 and due process of law. The Court further reserves the right to enter its Judgment approving the Settlement and dismissing the Complaint, on the merits and with prejudice, regardless of whether it has approved the Plan of Allocation or awarded attorneys' fees and expenses.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court hereby certifies, for the sole purpose of effectuating the Settlement, a Class defined as follows:

All Persons that purchased or acquired McKesson common stock between October 24, 2013 and October 27, 2016, inclusive ("Class Period"). Excluded from the Class are Defendants and their families, the officers and directors of McKesson during the Class Period, members of their immediate families, and their legal representatives, heirs, successors or assigns, and any entity in which Defendants have or had a controlling interest. Also excluded from the Class will be any Person who timely and validly seeks exclusion from the Class.

1 5. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for purposes of
2 settlement only, Pension Trust Fund for Operating Engineers (the “Fund”) is appointed as
3 representative of the Class, and Lead Counsel Robbins Geller Rudman & Dowd LLP is appointed as
4 Class Counsel for the Class.

5 6. With respect to the Class, this Court finds, for purposes of effectuating the Settlement
6 only, that the prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal Rules of
7 Civil Procedure have been satisfied in that: (a) the members of the Class are so numerous that
8 joinder of all Class Members in the Litigation is impracticable; (b) there are questions of law and
9 fact common to the Class; (c) the claims of the Lead Plaintiff are typical of the claims of the Class;
10 (d) the Lead Plaintiff and its counsel have fairly and adequately represented and protected the
11 interests of all Class Members; (e) the questions of law and fact common to the Class predominate
12 over any questions affecting only individual members of the Class; and (f) a class action is superior
13 to other available methods for the fair and efficient adjudication of the controversy, considering: (i)
14 the interests of the members of the Class in individually controlling the prosecution of the separate
15 actions; (ii) the extent and nature of any litigation concerning the controversy already commenced by
16 members of the Class; (iii) the desirability or undesirability of concentrating the litigation of these
17 claims in this particular forum; and (iv) the difficulties likely to be encountered in the management
18 of the Litigation.

19 7. The Court approves, as to form and content, the Notice of Pendency and Proposed
20 Settlement of Class Action (the “Notice”), the Proof of Claim Form (the “Proof of Claim”), the
21 Summary Notice and the Postcard Notice, annexed hereto as Exhibits A-1, A-2, A-3, and A-4,
22 respectively, and finds that the mailing and distribution of the Postcard Notice and publishing of the
23 Summary Notice, substantially in the manner and form set forth in ¶¶10-11 of this Order, meet the
24 requirements of Federal Rule of Civil Procedure 23 and due process, and is the best notice
25 practicable under the circumstances and shall constitute due and sufficient notice to all Persons
26 entitled thereto.

1 8. The firm of Gilardi & Co. LLC (“Claims Administrator”) is hereby appointed to
2 supervise and administer the notice procedure as well as the processing of claims as more fully set
3 forth below.

4 9. McKesson shall provide, or cause to be provided, to Lead Counsel or the Claims
5 Administrator, at no cost to Lead Plaintiff, the Settlement Fund, Lead Counsel or the Claims
6 Administrator, within ten (10) calendar days after the Court enters this Order, documentation or data
7 in the possession of McKesson or its present or former stock transfer agents sufficient to identify to
8 the extent available the record holders of McKesson common stock during Class Period, and their
9 last known addresses, email addresses (if available), or other similar information. The Parties shall
10 determine an appropriate electronic format for provision of this information.

11 10. Lead Counsel, through the Claims Administrator, shall commence mailing the
12 Postcard Notice, substantially in the form annexed hereto, within twenty (20) calendar days after the
13 Court signs this Order (the “Notice Date”), by first-class mail to all Class Members who can be
14 identified with reasonable effort. Contemporaneously with the mailing of the Postcard Notice, the
15 Claims Administrator shall cause the Notice and Proof of Claim, substantially in the forms attached
16 hereto, to be posted on the Settlement website at www.McKessonSecuritiesLitigation.com, from
17 which copies of the documents can be downloaded.

18 11. Not later than seven (7) calendar days after the Notice Date, the Claims Administrator
19 shall cause the Summary Notice to be published once in the national edition of *The Wall Street*
20 *Journal* and once over a national newswire service.

21 12. At least seven (7) calendar days prior to the Settlement Hearing, Lead Counsel shall
22 serve on Defendants’ Counsel and file with the Court proof, by affidavit or declaration, of such
23 mailing and publishing.

24 13. Nominees who purchased or acquired McKesson common stock for the beneficial
25 ownership of Class Members during the Class Period shall (a) within seven (7) calendar days of
26 receipt of the Postcard Notice request from the Claims Administrator sufficient copies of the
27 Postcard Notice to forward to all such beneficial owners and within seven (7) calendar days of
28 receipt of those documents forward them to all such beneficial owners; or (b) within seven (7)

1 calendar days of receipt of the Postcard Notice, send a list of the names and addresses of all such
2 beneficial owners to the Claims Administrator in which event the Claims Administrator shall
3 promptly mail the Notice Packet to such beneficial owners. Lead Counsel shall, if requested,
4 reimburse banks, brokerage houses or other nominees solely for their reasonable out-of-pocket
5 expenses incurred in providing notice to beneficial owners who are Class Members out of the
6 Settlement Fund, which expenses would not have been incurred except for the sending of such
7 notice, subject to further order of this Court with respect to any dispute concerning such
8 compensation.

9 14. In order to be entitled to participate in the recovery from the Settlement Fund after the
10 Effective Date, each Class Member shall take the following action and be subject to the following
11 conditions:

12 a. A properly completed and executed Proof of Claim must be submitted to the
13 Claims Administrator, at the post office box or electronic mailbox indicated
14 in the Notice and Proof of Claim, postmarked no later than ninety (90)
15 calendar days from the Notice Date. Such deadline may be further extended
16 by Order of the Court. Each Proof of Claim shall be deemed to have been
17 submitted when legibly postmarked (if properly addressed and mailed by
18 first-class mail). Any Proof of Claim submitted in any other manner shall be
19 deemed to have been submitted when it was actually received by the Claims
20 Administrator at the address designated in the Notice.

21 b. The Proof of Claim submitted by each Class Member must satisfy the
22 following conditions: (i) it must be properly filled out, signed and submitted
23 in a timely manner in accordance with the provisions of the preceding
24 subparagraph; (ii) it must be accompanied by adequate supporting
25 documentation for the transactions reported therein, in the form of broker
26 confirmation slips, broker account statements, an authorized statement from
27 the broker containing the transactional information found in a broker
28 confirmation slip, or such other documentation as is deemed adequate by the

Claims Administrator or Lead Counsel; (iii) if the person executing the Proof of Claim is acting in a representative capacity, a certification of his current authority to act on behalf of the Class Member must be provided with the Proof of Claim; and (iv) the Proof of Claim must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury.

- c. Once the Claims Administrator has considered a timely submitted Proof of Claim, it shall determine whether such claim is valid, deficient or rejected. For each claim determined to be either deficient or rejected, the Claims Administrator shall send a deficiency letter or rejection letter as appropriate, describing the basis on which the claim was so determined. Persons who timely submit a Proof of Claim that is deficient or otherwise rejected shall be afforded a reasonable time (at least twenty (20) calendar days) to cure such deficiency if it shall appear that such deficiency may be cured.
- d. For the filing of and all determinations concerning their Proof of Claim, each Class Member shall submit to the jurisdiction of the Court.

15. Any Class Member who does not timely submit a valid and timely Proof of Claim within the time provided for shall be barred from sharing in the distribution of the proceeds of the Settlement Fund, but will in all other respects be subject to and bound by the provisions of the Stipulation and the Judgment, if entered. Notwithstanding the foregoing, Lead Counsel shall have the discretion (but not an obligation) to accept late-submitted claims for processing by the Claims Administrator so long as distribution of the Settlement Fund to Authorized Claimants is not materially delayed thereby, but will bear no liability for failing to accept such late claims.

16. Any member of the Class may enter an appearance in the Litigation, at their own expense, individually or through counsel of their own choice. If they do not enter an appearance, they will be represented by Lead Counsel.

17. All Class Members shall be bound by all determinations and judgments in this Litigation, whether favorable or unfavorable, unless such persons request to be excluded, or “opt

out,” from the Class. A Class Member wishing to be excluded from the Class must submit to the Claims Administrator a request for exclusion (“Request for Exclusion”), by first-class mail, or otherwise hand-deliver it, such that it is received no later than twenty-one (21) calendar days prior to the Settlement Hearing, or _____, 2023, to the address listed in the Notice. A Request for Exclusion must be signed and must legibly state: (a) the name, address, and telephone number of the Person requesting exclusion; (b) the number of shares of McKesson common stock that the Person requesting exclusion (i) owned as of the opening of trading on October 24, 2013, and (ii) purchased, acquired and/or sold during the Class Period, as well as the number of shares, dates and prices for each such purchase, acquisition, and sale; and (c) that the Person wishes to be excluded from the Class in *Evanston Police Pension Fund v. McKesson Corporation, et al.*, No. 3:18-cv-06525-CRB. All Persons who submit valid and timely Requests for Exclusion in the manner set forth in this paragraph shall have no rights under the Stipulation, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Stipulation or any Final Judgment. Unless otherwise ordered by the Court, any Class Member who does not submit a valid and timely written Request for Exclusion as provided by this paragraph shall be bound by the Stipulation.

18. The Claims Administrator or Lead Counsel shall cause to be provided to Defendants’ Counsel copies of all Requests for Exclusion as expeditiously as possible, but in no event later than five (5) business days of receipt thereof and in any event at least twenty-one (21) calendar days before the Settlement Hearing.

19. The Court will consider comments or objections to the Settlement, the Plan of Allocation, or Lead Counsel’s request for an award of attorneys’ fees and expenses, only if such comments or objections and any supporting papers are submitted to the Court either by mailing them to the Clerk of the Court, United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94102, or by filing them in person at any location of the United States District Court for the Northern District of California. Such comments or objections must be filed or postmarked at least twenty-one (21) calendar days prior to the Settlement Hearing, or _____, 2023. Attendance at the Settlement Hearing is not necessary but any Person wishing to be heard orally in opposition to the Settlement, the Plan of Allocation, or the application for ~~PROPOSED~~ ORDER PRELIMINARILY APPROVING SETTLEMENT AND PROVIDING FOR NOTICE - 3:18-cv-06525-CRB

1 attorneys' fees and expenses is required to indicate in their written objection whether they intend to
2 appear at the Settlement Hearing. The notice of objection must include documentation establishing
3 the objecting Person's membership in the Class, including the number of shares of McKesson
4 common stock that the objecting Person (i) owned as of the opening of trading on October 24, 2013,
5 and (ii) purchased, acquired and/or sold during the Class Period, as well as the dates and prices for
6 each such purchase, acquisition or sale, and contain a statement of reasons for the objection,
7 including whether it applies only to the objector, to a specific subset of the Class, or to the entire
8 Class. The objection must identify all other class action settlements the objector and his, her or its
9 counsel has previously objected to, copies of any papers, briefs, or other documents upon which the
10 objection is based, and contain the objector's signature, even if represented by counsel. Any
11 member of the Class who does not make his, her or its objection in the manner provided shall be
12 deemed to have waived such objection and shall forever be foreclosed from making any objection to
13 the fairness or adequacy of the Settlement as set forth in the Stipulation, to the Plan of Allocation, or
14 to the award of attorneys' fees and expenses to Lead Counsel unless otherwise ordered by the Court.
15 Class Members do not need to appear at the Settlement Hearing or take any other action to indicate
16 their approval.

17 20. All funds held by the Escrow Agent shall be deemed and considered to be in *custodia*
18 *legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such
19 funds shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

20 21. All opening briefs and supporting documents in support of the Settlement, the Plan of
21 Allocation, and any application by Lead Counsel for attorneys' fees and expenses shall be filed and
22 served no later than thirty-five (35) calendar days before the Settlement Hearing, or _____,
23 2023. Replies to any objections shall be filed and served at least seven (7) calendar days prior to the
24 Settlement Hearing, or _____, 2023.

25 22. The Released Defendant Parties shall have no responsibility for the Plan of Allocation
26 or any application for attorneys' fees or expenses submitted by Lead Counsel, and such matters will
27 be considered separately from the fairness, reasonableness, and adequacy of the Settlement. Any
28 order or proceeding relating to the Plan of Allocation or any application for attorneys' fees or

1 expenses, or any appeal from any order relating thereto or reversal or modification thereof, shall not
2 operate to terminate or cancel the Stipulation, or affect or delay the finality of the Judgment
3 approving the Stipulation and the settlement of the Litigation.

4 23. At or after the Settlement Hearing, the Court shall determine whether the Plan of
5 Allocation proposed by Lead Counsel, and any application for attorneys' fees or payment of
6 expenses shall be approved.

7 24. All reasonable expenses incurred in identifying and notifying Class Members, as well
8 as administering the Settlement Fund, shall be paid as set forth in the Stipulation.

9 25. Neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations
10 or proceedings connected with it, shall be construed as an admission or concession by the
11 Defendants of the truth of any of the allegations in the Litigation, or of any liability, fault, or
12 wrongdoing of any kind.

13 26. If the Stipulation and the Settlement set forth therein is not approved or consummated
14 for any reason whatsoever, the Stipulation and Settlement and all proceedings had in connection
15 therewith shall be without prejudice to the rights of the Settling Parties *status quo ante*.

16 27. Pending final determination of whether the proposed Settlement should be approved,
17 neither the Lead Plaintiff, nor any Class Member, directly or indirectly, representatively, or in any
18 other capacity, shall commence or prosecute against any of the Released Defendant Parties, any
19 action or proceeding in any court or tribunal asserting any of the Released Claims.

20 28. The Court's orders entered during this Litigation relating to the confidentiality of
21 information shall survive this Settlement.

22 IT IS SO ORDERED.

23 DATED: January 20, 2023



THE HONORABLE CHARLES R. BREYER
SENIOR UNITED STATES DISTRICT JUDGE